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ABSTRACT

This paper offers an initial assessment of Texas' work force development evaluation and performance management efforts. Following an overview, section 2 clarifies distinctions between performance management and evaluation responsibilities such as purpose, definition, information produced, general question asked, and key questions addressed. Section 3 addresses differences between program- and systems-oriented evaluations. Section 4 identifies key agencies and programs and their roles and responsibilities in Texas work force development, including those for performance management and evaluation. Section 5 briefly describes major current and planned evaluation activities for the major Texas work force development system actors. Section 6 describes related performance review activities of other state agencies. Section 7 synthesizes these assessment findings: Texas features a relatively fragmented array of program-by-program performance management mechanisms; work force-related evaluations have been ad hoc; Texas is moving toward a systems evaluation orientation; although employers have been identified as the primary customer for work force services, they are not referred to in initiatives; and data collection and reporting systems are inadequate. It identifies gaps and issues in the current and planned efforts that constitute a mix of technical adjustments and corrections; data collection and reporting problems; and methodological difficulties. Section 8 contains 55 references. (YLB)

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Workforce Development Evaluation in Texas:

An Assessment

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1. Overview

Since the early 1960s, federal workforce development programs have been characterized by separate funding "silos," distinct target populations, prescribed services, but very little in the way of accountability. Since the early 1980s, however, these programs have made considerable progress towards measuring and managing performance, even though such efforts have remained largely program-specific. Texas has emerged as one of the national leaders on workforce development performance management, especially since the passage of Senate Bill (SB) 642 in 1993 and House Bill (HB) 1863 in 1995. Among other actions, the earlier legislation created the Texas Council on Workforce and Economic Competitiveness (TCWEC) to serve as an overarching human resource investment council, and it encouraged greater coordination in planning, service delivery and performance management at both the state and local levels.

HB 1863 went much further, mandating the creation of the Texas Workforce Commission (TWC) with operational responsibility for two dozen programs to be consolidated under it, among them the Job Training Partnership Act (JTPA), the Job Opportunities and Basic Skills (JOBS) and Food Stamp Employment and Training (Food Stamp E&T) program, and both the Employment Service (ES) and Unemployment Insurance (UI) benefit programs. Moreover, far more explicitly than any previous workforce legislation, state or federal, it defined the two major customers of workforce development services: first and foremost, employers; and (potential and incumbent) workers. HB 1863 also reinforced the systems evaluation emphasis which was initiated under SB 642.[1]

TCWEC recently contracted with the Center for the Study of Human Resources to conduct three major tasks to assist it in performing its legislatively mandated responsibilities:

1. To assess current evaluation efforts for Texas workforce development services;

[1] Trott and Baj (1996) provide an excellent review of the difference between program-specific performance management and a more systems-oriented approach.

2. To develop a systems framework for evaluating Texas workforce development services; and

3. To prepare an evaluation action plan detailing the steps required to get Texas from its current position to systems evaluation approach.

This paper offers an initial assessment of Texas' workforce development evaluation and performance management efforts. Section II clarifies important distinctions between performance management and evaluation responsibilities and between program-and systems-oriented evaluations. Section III identifies the key agencies and programs and their roles and responsibilities in Texas workforce development, including those for performance management and evaluation. Section IV then briefly describes major current and planned evaluation activities—including those involving data collection and reporting and ad hoc evaluation efforts—for the major Texas workforce development system actors. Section V synthesizes the assessment findings and presents a number of important gaps identified in the current and planned efforts and raises several key evaluation issues which need to be addressed. Section VI summarizes the next steps in this process. A bibliography follows.

2. The Relationship Between Performance Management and Evaluation

Performance management and evaluation are generally understood to be distinct but related accountability functions that have different purposes and require different types of analysis and data to support them. Typical differences between these functions are shown in Table 1. The emphasis on performance management and evaluation to promote public sector accountability has often come in the form of Congressional mandates for specific programs to perform periodic evaluations. Sometimes funding has been tied to compliance with performance measures and standards. Recently, with the passage of the Government Performance and Results Act of 1993, Congress mandated that all federal agencies develop outcome-based goals, measure their performance and report on their progress.

Table 1: Performance Management vs. Evaluation

	Performance Management	Evaluation
Purpose	To determine and ensure near-term compliance with administrative and program goals and objectives regarding program outcomes.	To determine the extent to which a program is achieving its broader legislative intent in terms of producing the effects on services, participants, etc.
Definition	an ongoing management process comprised of goals and objectives, performance measures and standards, and methods of establishing and adjusting standards, rewards and sanctions (Barnow 1992).	an assessment of program implementation, outcomes and/or impacts on participants and other affected groups, as well as associated benefits and costs, often judged against broader legislative intent
Information Produced	extent to which programs comply with performance standards in the way the program is being implemented, services being provided and the near-term outcomes experienced.	• relationships among program components and services • relationships among participant characteristics, service interventions, and longer-term outcomes • relationships among services, impacts and benefits/costs
General Question Addressed	What is the association between the stated program goals/objectives, processes and near-term (gross) outcomes?	What are the effects and net impacts of the program, judged in large part against its broader legislative intent?
Key Questions Addressed	1. Are funds being spent as intended? 2. Are the intended target groups being served? 3. Are the intended services being provided? 4. Are near-term outcomes being measured and reported as intended? 5. Are participant outcomes and costs in compliance with established standards?	1. What are the scope and range of outcomes/impacts? 2. Were the intended outcomes and/ impacts achieved for participants served? 3. Did program participation yield net impacts as intended? For which groups? 4. Did participation produce benefits in excess of costs? For whom (i.e., participants, taxpayers, society)?

Performance management in employment and training programs usually refers to a system whereby programs and their outcomes are systematically judged against specified objectives (Barnow 1992). A performance management system includes performance measures, a method of setting standards for those measures, and rewards and sanctions based on performance relative to the standards. The measures tell how well the entities being judged are performing relative to what outcomes are expected of

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the program. For each measure, a specific standard of acceptable performance must be set based on pure outcomes, outcomes of similar programs, or on statutory requirements. The rewards and sanctions can be in the form of funding changes and they should apply to programs depending on whether or not they meet the specified standards. A performance management system generally monitors processes and simple program outcomes.

On the other hand, evaluations of employment and training programs have focused more on impacts rather than simple outcomes. Evaluation is concerned more with the broader legislative intent of the program in terms of producing expected impacts on client's employment and earnings. Therefore, while performance management is an ongoing feature that continuously provides feedback to the managers and agencies responsible for the programs, evaluation can be conducted on an occasional or one-shot basis. Evaluations often require multiple years of pre- and post-program information to gauge program impacts, while performance management systems must rely on shorter post-program periods in order to provide relatively quick feedback to program managers. Evaluations are generally more costly and intrusive and often require the use of comparison or control groups to identify what the outcomes for clients would have been without the program. Performance management systems are generally less intrusive, but they are not able to include impact measures. Evaluation analyzes the impact of a program, while performance management focuses on accountability in terms of the relationship of outcomes and processes to the stated goals of the program.

Performance management allows an assessment of a program's effects by monitoring selected outcomes against carefully selected standards. However, it may provide a skewed view of a program's value because compliance with standards doesn't necessarily indicate anything about relationships among a more extensive set of potential outcomes and the program's impact on them. For example, evidence of compliance doesn't necessarily provide good information about the relationship between outcomes and the organization of the program, or between outcomes and the way services are delivered to the client. Most significantly, the level of compliance does not inform us about the program's role in these outcomes, i.e., was compliance responsible for the outcomes, or were these outcomes due to chance or other influences (Blalock 1990)? Ideally, short-term workforce performance measures would be highly correlated with

long-term impacts so that system managers would have confidence that short-term results were leading toward long-term impacts for customers. Performance management also encompasses other facets of accountability including fiscal compliance and audits, among others.

3. Systems and Program Evaluation Approaches

For the most part workforce development has existed as a collection of programs - each addressing some population deemed to be in need of a particular type of employment and training service. Although individuals often qualify for services from multiple programs, the connections between programs have not been well articulated since programs are managed almost completely independently of each other. These types of employment and training programs have operated as functional silos, with funds and regulations flowing down from the top and communication and information sharing taking place internally. Any coordination efforts have usually focused on the bottom of the silos where actual client services are delivered, without strong coordination of policy decisions at the top. In this atmosphere, programs have tended to focus on rules, regulations, procedures, and requirements of a program, leading to an internal organization which focuses on functions such as fiscal operations, performance monitoring and others. The compliance monitoring role becomes primary, and minimal cross-program interaction takes place. Monitoring-for-compliance tends to take precedence over customer focus, and a sense of overall program purpose is not well developed (Trott and Baj 1996).

A systems orientation is fundamentally different. Achieving the system's purpose becomes the driving force behind programs and processes. The ultimate employment and earnings successes of clients and the competitiveness of companies reliant on the system become the new organizational focus. Management of the system takes on the role of developing and maintaining policies in common across programs. Management of the system also requires a well defined performance management and evaluation system that directs individual programs to achieve system goals. A performance management scheme then establishes an accountability framework that translates system goals and directives into performance measures and standards, a monitoring and reporting strategy,

and an evaluation strategy for the development and improvement of entire system (Trott and Baj 1996).

4. Key Texas Agencies and their Roles in Workforce Development

Texas has taken major steps to reform the way workforce development services are planned and delivered. Senate Bill 642 passed in 1993 and amended in 1995 by House Bill 1863 sets the framework for a single, integrated workforce delivery system to replace long-standing categorical programs. There are still many distinct federal and federal/state workforce programs, creating a framework Texas must work within and around.

This legislation consolidates some 28 separate job training and employment programs in the newly created Texas Workforce Commission (TWC), authorizes the creation of local workforce development boards and directs the TWC to formula allocate funds for the larger job training and employment programs to local areas having certified boards and approved plans in place. In addition, a number of state-level advisory groups mandated by federal and/or state law are consolidated in the TCWEC.[2] The new Council advises the governor and carries out the federal and state-required functions of each of the heretofore separate advisory councils. As such, it meets the requirements of a state human resource investment council set out in Title VII of the federal Job Training Reform Amendments of 1992.

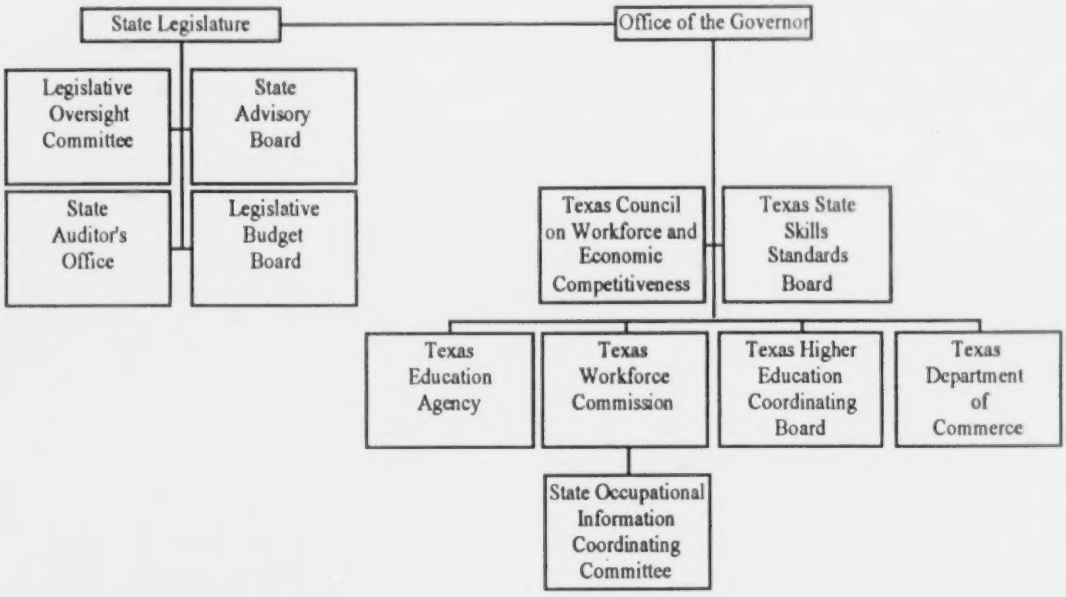
In Texas, TCWEC is the umbrella entity charged with planning, overseeing and evaluating all workforce development services in the state. In addition to many other responsibilities, it develops and recommends to the governor a strategic plan that serves as the framework for the budgeting and operation of all workforce development agencies. It is also responsible for evaluating the effectiveness of all workforce development services delivered in the state.

The state workforce agencies function as administrative entities, developing rules consistent with Council policy and administering programs to achieve the state's workforce objectives consistent with the performance expectations recommended by the

[2] Councils consolidated include: the State Job Training Coordinating Council, the Texas Council on Vocational Education, the Texas Literacy Council, and the Apprenticeship and Training Advisory Committee.

Council and approved by the Governor. With the exception of the Texas Rehabilitation Commission,[3] all of the mainline workforce development agencies are represented on TCWEC. The key agencies are depicted in an organizational chart of the Texas workforce development system (Figure 1).

Figure 1
Key Agencies in Texas' Workforce Development System



Under this arrangement, while the administering state agencies are presently more concerned with issues of performance management, TCWEC is primarily focusing on evaluating the effects and impacts of workforce services.

It is important to note that constitutionally Texas is a "weak-governor" state. The legislature is strong, and the governor does not have a cabinet. Executive power is scattered among some 200 boards and commissions—most of whose members are appointed by the governor—who balance differing executive as well as legislative priorities. The Council and the governor must work closely with the state legislature, and

[3] Rehabilitation agencies are exempted from the human resource council provisions under the 1992 JTPA Reform Amendments as well as under Texas' workforce legislation.

its powerful Legislative Budget Board (LBB) to develop goals and set expectations that will be enforced through state budgetary decisions. Table 2 summarizes the performance management and evaluation responsibilities placed on these agencies by major state and federal workforce and related legislation.

Table 2: Performance Management and Evaluation Responsibilities from Major State and Federal Workforce and Related Legislation

Agency	Performance Management Responsibilities
Legislative Budget Board	• through its legislative appropriations process, it requires state agencies to develop five-year strategic plans for monitoring performance against clearly defined outcomes.
State Comptroller	• conduct a management study to review the programs to be transferred to TWC [HB 1863] • review the Texas Department of Commerce's Smart Jobs Fund program and TEA's Adult Education program [HB 1863]
TCWEC	• conduct an occupation-specific analysis of job placement performance of each workforce education program [SB 642, as amended by HB 1863] • serve as state human resource council to advise the Governor on the development and implementation of state and local standards and measures relating to applicable federal and state human resource programs and coordination of such standards and measures [JTPA Reform Amendments of 1992]
TWC	• prepare and submit an annual agency performance report to the legislature, the Commission and the Council [HB 1863] • assess JTPA programs using the U.S. Department of Labor's (USDOL) national performance standards [JTPA as amended by the Job Training Reform Amendments of 1992]
HECB	• develop and implement a statewide system of core standards and measures of performance for post-secondary vocational education programs [Carl D. Perkins Vocational Education Act as amended by the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990]
TEA	• develop and implement a statewide system of core standards and measures of performance for secondary vocational education programs [Carl D. Perkins Vocational Education Act as amended by the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990]
Local Workforce Boards	• plan and oversee all area workforce training and services [SB 642, as amended by HB 1863]

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Table 2 (cont.)

Agency	Evaluation Responsibilities
Legislative Budget Board	• work closely with the Governor and TCWEC to develop goals and set expectations that will be enforced through state budgetary decisions.
State Auditors Office	• review each agency's performance against their established measures
State Comptrollers Office	• review state agency performance and make recommendations to the legislature for improving the efficiency and effectiveness of state government (Texas Performance Review)[4]
Legislative Oversight Committee	• monitor the implementation and efficiency of the workforce development system [HB 1863]
TCWEC	• develop a strategic plan including goals, objectives and performance measures for all programs [SB 642, as amended by HB 1863] • monitor the operation of the state's workforce development programs to assess the degree to which the programs are effective in achieving state and local goals and objectives [SB 642, as amended by HB 1863] • evaluate the effectiveness of all workforce development programs [SB 642, as amended by HB 1863] • assess the effectiveness of the major workforce development programs against the core measures in the state strategic plan [Memorandum of Understanding between TWC and TCWEC] • monitor the implementation and evaluate the effectiveness of the strategic plan [JTPA Reform Amendments of 1992]
HECB	• conduct annual evaluation to address any barriers resulting in lower rates of access to [postsecondary] vocational education programs and evaluate the progress of individuals who are members of special populations [Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990]
TEA	• annually evaluate vocational education programs to address any barriers resulting in lower rates of access and evaluate the progress of individuals who are members of special populations [Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990] • evaluate effectiveness of all state administered adult education programs and services [Adult Education Act, as amended by the Hawkins-Stafford Elementary and Secondary School Improvement Amendments of 1988]
Local Workforce Boards	• plan and oversee all workforce training and services and evaluate all workforce development programs in the area [SB 642, as amended by HB 1863] • monitor and evaluate the effectiveness of career development centers, state agencies, and other contractors providing workforce and training services to ensure performance is consistent with state and local goals and objectives [SB 642, as amended by HB 1863]

[4]For a recent example, see: Office of the State Comptroller (1995).

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5. Current and Planned Texas Workforce Evaluation Efforts

This section examines evaluation efforts by workforce development agencies and programs in Texas, beginning with TCWEC and its work on core performance measures, One-Stop Career Centers and related areas: in the existing legislative context, TCWEC has primary evaluation responsibility for the workforce system. It also looks at program-specific activities within major agencies where these activities are noteworthy. Recent ad hoc evaluation efforts are referenced as well where appropriate. For many programs, once TCWEC's work has been described, there is simply little to note: in the State's Food Stamp E&T, School-to-Work,[5] Skills Development Fund (TWC), Smart Jobs Funds (TDoC), and the host of smaller workforce development programs, beyond compliance monitoring, there has been no history of outcomes-based performance management or evaluation.

5.1. TCWEC

Under SB 642 and now HB 1863, TCWEC shoulders major responsibility for evaluating the Texas workforce development system, as well as for advising the Governor and operating agencies on key dimensions of performance management for the State's workforce development services. Its activities in performance management and evaluation since 1993 have encompassed the mandated federal roles (Table 2 above), as well as major systems evaluation efforts, in part stemming from its participation as one of six states selected for the National Governors' Association's Performance Management Project,[6] and in part from its work to develop a more systemic evaluation approach for the State's One-Stop Career Centers grant.

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[5]To date, the State has had little role to play in School-to-Work in that program grants have been local in nature; Texas has a state grant application pending with the National School-to-Work Office which would feature TCWEC in the evaluative role.

[6]Funding for the state's participation in the NGA-sponsored Performance Management Project only extended for 18 months; Texas' work on core measures preceded this effort and has continued after its conclusion.

5.1.1. Core Performance Measures[7]

In the spring of 1994, TCWEC staff developed a set of eight (8) core measures as part of their responsibilities under SB 642 for tracking the performance of all workforce programs and conducting an annual, comprehensive evaluation of the workforce system. This effort was linked to the system and program goals developed by the Council for the Texas workforce system (Table 3). The eight core measures were adopted *in concept* by the Council and approved officially by then-Governor Ann Richards in June 1994. Two additional measures were targeted for further exploration as potential measures for future adoption: training-relatedness of job placements, and cost-effectiveness.

Table 3: System and Program Goals and Selected Objectives for the Texas Workforce Development System

System Goals
Goal #1—To develop a statewide system supporting local career development centers where all workers, clients and employers can conveniently access a network of information and services responsive to their individual needs.
Goal #2—To develop a state/local strategic planning, evaluation, and accountability system for the state's workforce development program and activities.
Program Goals
Goal #3—All Texans will have the literacy, basic education and basic workplace skills necessary for educational and career advancement.
Goal #4—Participants/workers will acquire the occupational skills to meet workplace requirements for long-term employment and work toward sustaining employment in high-skill, high-wage occupational areas.
Goal #5—All youth will be prepared with the knowledge, skills, and behaviors necessary to make the transition into meaningful, challenging and productive pathways in high-skill, high-wage careers, and for life-long learning.

An Interagency Core Performance Measures Workgroup—with active representation from TDoC, TDHS, TEA, TEC, the HECB, local boards and others—was then convened by TCWEC to operationalize definitions for these measures and to determine the requisite core data elements to support them. In June 1995, operational definitions for five (5) of the core measures were adopted by the Council and officially approved for implementation by Governor George Bush. These measures—three labor market measures, one educational achievement and one access/equity measure (Table

[7]This section draws on numerous internal memoranda, quarterly Council briefing and action items and conversations with current and former TCWEC staff.

4)—were subsequently incorporated into SOICC's ongoing follow-up system in July 1995.[8] Job placement training-relatedness is also being tracked for those programs offering vocational-specific training, but *not* as a core measure.

Table 4: Core Performance Measures for the Texas Workforce System

Operational Measures

Labor Market Outcomes

1. Entered Employment Rate
2. Earnings Gain Rates
    a. Earnings Gain Rate, Based on Previous Earnings
    b. Earnings Gain Rate, Based on Program Entry
    c. Average Earnings Gains Based on Previous Earnings
    d. Average Earnings Gains Based on Program Entry
3. Employment Retention Rate

Learning Outcomes Access/Equity

4. Educational Achievement Rate
5. Access/Equity Measures
    a. Participation Equity Rate
    b. Target Population Successful Outcome Rates
    c. Target Population Group Identifiers For All Programs (gender, date of birth, race/ethnic groups, disabled individual)
    d. Target Population Group Identifiers To Be Reported On If Currently Collected By Program

Measures to be Operationalized

6. Skill Attainment
7. Program Advancement
8. Customer Satisfaction
    a. Employer Satisfaction
    b. Employee/Client Satisfaction

Measures for Future Consideration

9. Training-Relatedness of Placement
10. Program Cost Effectiveness

[8]More detail on the SOICC follow-up effort is provided below; see Froeschle and Anderberg (1995). Note that SOICC was initially created as an independent agency under federal vocational education legislation in the mid1970s. SB 642 then made SOICC an administrative division of TCWEC. Most recently, HB 1863 moved it to TWC.

SOICC's Automated Student and Adult Learner Follow-Up system, which is financed primarily with an array of "soft" federal grants, began tracking labor market outcomes and subsequent educational progress for many Texas community and technical education students in 1988. It now encompasses most major Texas workforce programs—JTPA, Employment Services, JOBS, Food Stamp E&T, publicly funded secondary and postsecondary Vocational and Technical Education, and a single Adult Education cooperative—providing employment, earnings and educational outcomes data for the relevant student/learner exit cohorts at intervals of six months, one year and annually thereafter. These data are central to TCWEC's role in evaluating the Texas workforce system's performance over time.

Preliminary research has been done on the three nonoperational, core measures—skill attainment, program advancement, and customer satisfaction—as well as on the two additional noncore measures which were identified for further consideration—training relatedness and cost-effectiveness. However, much work still remains. The last three core measures present very different challenges from the earlier set. There is no consistent, reliable and inexpensive data set available to serve as the basis for these measures, as (supplemented) UI wage records have for the labor market measures; instead, each may require identification or development of a standardized instrument or criteria for measurement. Some of this developmental work is being performed as part of TCWEC's contractual responsibilities under the State's One-Stop grant.

5.2. One-Stop Career Centers Evaluation

The One-Stop Career Centers effort has the potential to be the proving ground for a systems evaluation approach for the State's broader workforce development system. It embodies many of the characteristics and features of the workforce development system envisioned in SB 642 and HB 1863, and it has moved deliberately towards adopting the five core measures, as well as pilot testing customer satisfaction measures for future use statewide and incorporating continuous improvement as a guiding principle of its performance management approach. TCWEC is also working with the One-Stop Centers to develop a strategy for gauging cost-effectiveness which may serve as the pilot for the Texas workforce development system.

TCWEC worked with the One-Stop Centers staff to develop, pilot and analyze the results of a customer exit survey in late 1995 and early 1996, a key step in instituting client-based customer satisfaction measurement. TCWEC and One-Stop staff have begun finalizing short-term progress indicators required by USDOL for the Centers as a condition of the grant. The progress indicators, include approved by the Performance Measurement Workgroup in May 1996:

1. UTILIZATION BY CUSTOMERS: reported number and type of customers served during the quarter.
2. ENHANCED COMPREHENSIVENESS/ACCESSIBILITY TO INFORMATION/SERVICES: Enhancements to the accessibility and/or comprehensiveness of information/services provided during the quarter.
3. ENHANCED CUSTOMER CHOICE: Enhancements to the information/services provided to customers that reflects customer needs and/or improves choice available to customers during the quarter.
4. ENHANCED INTEGRATION: Enhancement to the integration of administrative, service delivery and or governance functions during the quarter.

However, it has not been possible to incorporate One-Stop Career Center participants into SOICC's follow-up system thus far. One-Stop participant records lack a "flag" which would allow them to be identified for tracking in the SOICC follow-up system. This is a serious omission, but one which can be corrected in the months to come. It clearly postpones conducting a more in-depth evaluation of the effects of One-Stop participation.

5.3. Texas Skills Standards Board

TCWEC also has statutory responsibility under HB 1863 for staffing the newly created Texas Skills Standards Board. Its activities have just recently begun in this role. Among other things, the Board intends to:

- develop a framework for establishing valid and reliable skills standards;
- facilitate and coordinate the development of such standards by industry groups;

- enter into agreements with other states for mutual recognition of credentials to enhance the portability of skills.
- validate existing and/or developing national skills standards; and
- ultimately, integrate skills standards into the broader workforce development system's performance evaluation and measurement approach.

At this stage, it is too soon to tell where the Texas Skills Standards Board's work will take it. It held its first meeting in August 1996. However, since skill attainment is one of the core performance measures, the skill standards system is an important component of accountability for the workforce development system. The skill standards system will provide a means to measure whether publicly-funded and regulated programs are preparing workers with the skills needed to meet the requirements of the workplace.

6. Related Performance Review Activities

In addition to TCWEC, three other state entities are also involved in the review of workforce development services in Texas as part of performing their larger budget, performance review and oversight responsibilities. The Legislative Budget Board (LBB), through its biennial legislative appropriations request process requires state agencies to develop five-year strategic plans that include goals, objectives, strategies and measures for monitoring performance against clearly defined outcomes.[9] "Statements of impact" or performance measures are required in four general areas: outcomes, outputs, efficiency and explanatory measures.

Each agency's strategic plan, including the key measures and its budget request, is updated every two years and negotiated with the LBB as part of the state budgeting process prior to each regular legislative session.[10] It, of course, is then debated in the legislature as part of the biennial appropriations process and finally set in law.

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[9]For more on this process, see: [Texas] Governor's Office of Budget and Planning/Legislative Budget Board (1995).

[10]Note that in the 1995 session, the eight core workforce performance measures were incorporated into the Legislative Appropriations Request for the newly created Texas Workforce Commission, a move which may have been somewhat premature. At that time, only five of the eight measures had been formally adopted; none had actually been implemented or measurement systems established. The three remaining core measures are in varying stages of development even now.

The State Auditor's Office, an arm of the legislative branch, reviews each agency's performance against their established measures. This information is used by the LBB, the governor's office the state legislature and by the agencies themselves to influence future planning, resource allocation and operational decisions of state government. To the extent that clear outcome measures and the data systems required to support them are in place, assessments by the State Auditor's Office represent evaluations of service impacts. Such measures, however, are not yet in place for the state's workforce agencies or for the new workforce system.

The State Comptroller is also actively involved in reviewing the performance of Texas agencies. Soon after coming into office, Comptroller John Sharp initiated an ongoing effort to review state agency performance and make recommendations to the legislature for improving the efficiency and effectiveness of state government, known as the Texas Performance Review (TPR).[11] While these are comprehensive reviews, they tend to focus on areas of state government where change is most needed. Once the issues are identified and addressed and changes made, TPR's focus shifts to other policy areas. Consequently, there is not an ongoing assessment of agency performance like that done by the State Auditor. Further, the Comptroller's reviews clearly concentrate on agency performance rather than on impact.

Since the early 1990s, the Comptroller's Office has given a great deal of attention to workforce development. Reviews of the various workforce agencies and the services they provide led to major recommendations for program consolidation and for creating a single, integrated delivery system similar to that now found in state law (HB 1863).

6.1. Texas Workforce Commission[12]

This characterization focuses only on TWC's major workforce programs (e.g., JTPA, JOBS, ES). It does not examine the many smaller ones which now round out TWC's workforce "toolkit", such as the Senior Texans Employment Program, Project ReIntegration of Offenders (Project RIO) and others, most of which lack a full-fledged

[11]For a recent example, see: Office of the State Comptroller (1995).

[12]This section is based on a review of documents and reports from the various programs. Also, it benefited considerably from lengthy discussions with many TWC staff, including Carolyn Young, Jim Gaston, Brenda Lovett, Tom Depalermo, Mike Fernandez, Emily Zimmet, Jere Goldgar and Juan Garcia.

performance management mechanism; nor have they been subjected to systematic evaluations.

6.1.1. JTPA

JTPA programs have long had the most comprehensive performance management system of any workforce program (Barnow and King 1996). Its system has had well articulated roles and responsibilities at the national, state and local levels, and its performance goals have been clearly stated and reliably measured on the whole since the early 1980s. Over time, there have been attempts to ensure that the near-term measures are valid indicators of longer-term net impacts on the goals of interest, especially increased employment and earnings.[13]

TCWEC now has assumed the performance management role formerly played by the State Job Training Coordinating Council, advising the Governor on performance standards adjustments, incentives and sanctions. TCWEC also has responsibility for evaluating JTPA efforts in the state as part of its workforce systems evaluation, even while TWC has more operational performance management responsibility.

JTPA has been the object of intense scrutiny (and controversy) in recent years following completion of a net impact evaluation of Title IIA programs for adults and youth. This evaluation, conducted by MDRC and Abt Associates (Orr et al. 1995) in sixteen sites around the nation, found modest statistically significant positive net earnings impacts for adult women, positive but insignificant impacts for adult men, and no impacts for youth. Other studies have examined long-term results (e.g., U.S. G.A.O., March 1996).

There have also been a number of ad hoc evaluations of Texas JTPA programs in recent years. Texas A&M University's Public Policy Resources Laboratory conducted an outcomes evaluation of Texas Dislocated Worker programs under Title III of JTPA (1993). In addition, TDoC's Workforce Development Division staff performed an outcomes analysis of JTPA Title IIA programs (TDoC 1992). Finally, King et al. (1995) recently completed an analysis of Texas JTPA Title IIA longer-term employment and earnings (gross) outcomes (based on two years pre- and post-termination UI wage records

[13]Findings from a validation study using the JTPA net impact data are forthcoming from the U.S. Department of Labor. The research team on this study is comprised of Dr. Burt Barnow of Johns Hopkins University's Institute for Policy Studies, and others.

data), along with field interviews with program staff in selected "success stories" sites, for the National Commission for Employment Policy and the USDOL.[14] None of these efforts can be categorized as ongoing or systemic.

6.1.2. JOBS

Provisions in the prior national authorizing legislation (the Family Support Act of 1988) required the Secretary of the U.S. Department of Health and Human Services (USHHS) to recommend a set of outcomes-based performance measures and related language by October 1993 (USHHS n.d.). USHHS failed to do so, however, finally coming forward in 1994 with a schedule which proposed implementation of national outcome measures by 1998. JOBS has continued to operate nationally with only program participation rates to guide them. It will be supplanted now by varying state welfare-to-work programs under the emerging framework of the recently signed welfare reform legislation, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Texas DHS adopted its own regional outcome goals (e.g., entered employment rates, target wage rates) for the State's JOBS programs. It also has participated actively in TCWEC's Core Measures process and contributed program "seed" records to SOICC's follow-up effort. Texas Legislative Appropriations Rider (#33) required external measures to be reported by TEA and TWC as of December 1995. TEA reported the count of all clients receiving a GED, and TWC reported six measures:

- # of clients employed after job search
- # of clients employed in the year
- average wage for job search clients entering employment
- average wage for all clients entering employment
- total # of clients entering employment
- # of clients who have completed the 12th grade.

[14]This paper was part of a larger report produced for NCEP and USDOL analyzing Texas and Illinois JTPA programs. The Illinois research was performed by Dr. Charles E. Trott and John Baj of Northern Illinois University's Center for Governmental Studies.

Several large-scale JOBS program evaluations have been conducted. A team of researchers at the State University of New York-Albany, working in conjunction with Field Associates in nine states,[15] produced a series of reports on JOBS program *implementation.*[16] In addition, a multi-state, net impact evaluation of JOBS was initiated in the early 1990s by USHHS and is being performed by MDRC, in conjunction with researchers at Social Policy Research Associates and Child Trends, Inc. (e.g., Freedman and Friedlander 1995).

The Texas JOBS Program Evaluation, a quasi-experimental net impact evaluation of the program conducted by the Center for the Study of Human Resources, is probably the closest thing to a comprehensive, systems-oriented evaluation that has been conducted of any Texas workforce development program. It evaluated near- and longer-term employment, earnings and welfare recidivism impacts, coupled with a benefit-cost analysis, for AFDC recipients participating in the Texas JOBS program in the early 1990s.[17] This evaluation was initiated by the Center and developed and financed by the four agencies which constituted the primary collaborative partners in JOBS—DHS, TDoC, TEC and TEA. JOBS participants then received an array of what are now termed workforce training and education services from programs operated by each of these agencies as well as community and technical colleges. The evaluation found statistically significant, but modest, net impacts on employment, earnings and recidivism, which were primarily associated with participation in the program's education and training components.

6.1.3. Food Stamp Employment and Training

Food Stamp E&T is primarily a process- not an outcomes-oriented program. Like JOBS, its principal performance requirements are associated with participation rates rather than entered employment and wage rates or retention.

As reported by Puma and Burnstein (1994) of Abt Associates, Inc., the results of the nationwide Food Stamp E&T impact evaluation were not encouraging: participation in the program was not found to be associated with any positive net impacts on

[15]Texas was one of the JOBS Implementation Study states.
[16]Reports available from this study include: Lurie and Hagen (1993, 1994). The final JOBS Implementation Study report is expected sometime this year.
[17]Reports from this evaluation include: King et al. (1993); King et al. (1994); King and Schexnayder (1994); and Schexnayder and Olson (1995)

employment or earnings, and, thus, also failed to yield favorable benefit/cost results as well. In Texas, researchers at the Center for the Study of Human Resources have been conducting an evaluation of the State's Food Stamp E&T/JOBS Program Conformance Demonstration since 1993.[18] This evaluation, funded by the U.S. Department of Agriculture's Food and Nutrition Service via the Texas DHS (now TWC), is examining the benefits and costs of bringing the Food Stamp E&T program eligibility, activities and services more in conformance with the larger JOBS program for AFDC recipients. Final evaluation findings are due to be reported out in late fall 1996.

6.1.4. Employment Service

ES also has had some experience in performance management and evaluation. Nationally, ES was one of the first federal workforce programs to move into the outcomes-based performance management arena. But, after several initial forays—and despite relatively explicit language in the federal authorizing legislation (Wagner-Peyser, Section 7b) allowing Governors to reward local offices for performance—such efforts have languished. Texas as a state has done more than most to bring expectations and practice for its ES programs into the performance management arena, along with JTPA, JOBS and others.

Meyers (1991) conducted a quasi-experimental net impact evaluation of a set of job search seminars developed within the Texas ES program which led to their subsequent expansion and a series of seminar refinements.

6.2. Related TWC Data Collection

TWC is currently reviewing the underlying federal/state data collection and reporting systems for the more than two dozen programs now under its purview to determine the most effective and efficient means of carrying out its continuing responsibilities for these efforts.[19] TWC is working closely with its private sector

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[18]Reports from this evaluation are available from the Center, including O'Shea et al. (1995, 1996). The final reports from this evaluation will be completed in September. The Center is also performing a similar analysis for Hawaii's Food Stamp E&T/JOBS demonstration. Several other states also have been operating Conformance demonstrations.

[19]This brief discussion draws on interviews with Mike Fernandez, TWC's Director of Information Services.

partners to develop a new information system. In the near term, TWC is maintaining the old systems.

6.2.1. SOICC

SOICC is now part of TWC, however, it also provides data to numerous state workforce-related agencies. SOICC's Automated Student and Adult Learner Follow-Up System examines public and higher education "seed" records through a process of record linkages which enables a matching of records from individuals in each of these systems. The primary focus of this follow-up system is the tracking of completers of career and technology education programs (Froeschle and Anderberg 1995). These "seed" records are then matched with UI wage records in order to assess the labor market outcomes for those students who exited high school or other programs.

Follow-up reporting is utilized by a number of state agencies for performance management and evaluation efforts. TCWEC and TWC use data from this system for tracking the outcomes from programs under their direct control (e.g., JTPA, JOBS, Food Stamp E&T), as well as for required reporting to the LBB. In addition, the Comptroller has indicated an interest in using the data to conduct its performance reviews. The Coordinating Board has moved away from data collected at specific institutions to a reliance on the SOICC's follow-up information for their outcomes-based program evaluations (i.e., institutional effectiveness). TEA may also be interested in employing the SOICC follow-up data for this same reason. Both TEA and the Coordinating Board currently examine SOICC follow-up data for evaluating the State's Tech Prep programs.

6.3. Texas Higher Education Coordinating Board

There are two main program areas of interest here. The first is postsecondary Vocational and Technical Education, programs administered and overseen by the Community and Technical Colleges Division (CTCD) of the Texas Higher Education Coordinating Board. The second is Tech Prep.

6.3.1. Postsecondary Vocational and Technical Education

Current performance management and evaluation efforts for postsecondary vocational and technical education offer a very sharp contrast to those in place just a few

years ago. Beginning in 1988, somewhat before the Carl D. Perkins Education and Technology Act Amendments of 1990 began pushing vocational education nationally towards an outcomes-based approach to accountability,[20] CTCD joined SOICC to begin tracking labor market outcomes for former vocational/technical education students. With the impetus of the Perkins Act and building on the performance measures established by the State's Committee of Practitioners, in 1993 the Assistant Commissioner for Community and Technical Colleges appointed a Task Force on Institutional Effectiveness, comprised of state and local community and technical college representatives, "to develop a state-level evaluation and continuous improvement plan focusing on workforce education and academic programs at community and technical colleges in Texas."[21] The Task Force's primary task was to review the disparate elements of the existing performance management efforts—e.g., accreditation by the Southern Association of Community Colleges, performance measurement from the Perkins Act, additional state mandates—together with the typically ignored fiscal accountability, and to integrate these into a single evaluation process.

This institutional effectiveness process has three main components:

1. *Annual Self-Evaluations* (now fully automated) performed by the individual colleges.

2. *Annual (state-required) Data Profiles*, summarizing current performance data and annual progress toward state goals, as measured by six "critical success factors": mission; effective use of (human and fiscal) resources; access; achievement; quality of academic areas; and quality of technical program.[22] SOICC-generated follow-up data provide vital information for these state and college Annual Data Profiles, especially regarding the achievement (labor market based) and quality of technical programs critical success factors.[23]

3. *On-site Peer Reviews*, conducted every four years, using the first two data-based components. CTCD sends the results of these reviews to the college's president

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[20]This description is based upon a review of CTCD documents, as well as lengthy discussions with Mollie Boyd, Ron Curry and Martha Oburn of CTCD, Helen Geraitis, formerly of CTCD, and Marc Anderberg of SOICC.

[21]Texas Higher Education Coordinating Board (January 1996), p. 1.

[22]Ibid, p. 4ff.

[23]Obtaining more stable and secure funding for SOICC's follow-up effort, not surprisingly, was one of the major concerns expressed by CTCD staff.

for the college's response. The on-site reviews have just entered the fourth year of implementation.[24]

At present, the Institutional Effectiveness process has just approached what CTCD refers to as the "closing the loop" phase: CTCD is currently reviewing college's recommendations (e.g., close program x) with their actual implementation. The institutional effectiveness results are shared with the presidents of the colleges, as well as the technical deans.

At this point, CTCD views the core measures somewhat cautiously, in large part because they have already established a systems-oriented evaluation framework which embodies many of the features being considered by TCWEC as part of its legislative mandate. Parts of the core measures are incorporated into the institutional effectiveness process although not explicitly. CTCD also recognizes that documenting success on these core measures could assist them in portraying what Texas' community and technical colleges do well.

6.3.2. Tech Prep

The HECB awarded Perkins Act funds to the Region V Education Service Center (in Beaumont) to prepare a report on the tech prep initiative in Texas. The goal of this effort was to document the overall effectiveness of the tech-prep initiative in Texas during the last five years by consolidating previous evaluators' recommendations and conducting original research (Brown 1996). Further, this report sought to identify key elements for assessment of tech-prep program effectiveness and to efficiently collect baseline data relative to these elements. A status report, published in April of 1996, provided a snapshot view of the development of 25 regional tech-prep consortia within the Governor's 24 planning regions. An updated status report and preliminary impact results are expected as part of this effort in late 1996.

[24]Interestingly, according to CTCD, while the colleges rated fully 40 percent of their technical programs as "exemplary", the peer reviews only designated 4 percent as such.

6.4. TEA

6.4.1. PEIMS and AEIS

The Public Education Information Management System (PEIMS) and Academic Excellence Indicator System (AEIS) are two extensive databases maintained by TEA. Both data sets are quite detailed and designed to support numerous performance management and evaluation functions for the public education system in Texas. The PEIMS and AEIS databases include information for Texas public primary and secondary educational institutions including student performance and demographics, and staff and financial information among other items.

PEIMS will be used by the Center in its evaluation of the Texas Welfare Waiver (*Achieving Change for Texans*), after which it will be clearer how appropriate the database is for conducting evaluation. PEIMS and AEIS are both being used to produce annual school performance reports. PEIMS provides the data for the annual school district reports for each district in Texas. The AEIS data supports the Texas School Performance Report for each individual school. Also, the Education Productivity Council is currently using the AEIS database for their evaluation of Texas public schools.

6.4.2. Adult Basic Education and Literacy

TCWEC has been working with TEA's Adult Education and literacy programs to validate the Intake Assessment Interview which is intended to establish the baseline for evaluating adult education/literacy students' skill attainment. TCWEC staff have also coordinated with TEA on developing a framework for systematically measuring adult education/literacy skill attainment. To that end, TEA has taken the leadership in defining performance measures and developing an assessment system for determining student progress in adult education and literacy. TEA has designated the Adult Education Professional Development and Curriculum Consortium, a group of special projects, to design such a system. The system would include an initial assessment of the literacy proficiencies of adults, primarily those who plan to participate in workforce training programs. The assessment system will also include a baseline assessment and an assessment of client progress.

The intent of the Performance Measures Assessment System is that it be used throughout the workforce development system for clients who receive adult education and literacy services. The development of the assessment framework is currently funded through the TEA with the Adult Education Professional Development and Curriculum Consortium contractors, using federal National Literacy Act discretionary funds.

7. Synthesis, Issues and Gaps

7.1. Synthesis

So, what can be said about the existing Texas workforce development evaluation system? Several findings and observations can be offered by way of synthesis.

First, with some very notable exceptions, like most states across the country, Texas still features a relatively fragmented array of program-by-program performance management mechanisms. These are primarily driven by federal legislative and regulatory requirements. They should not be viewed as responses to broader workforce systems concerns. Moreover, in terms used by Trott and Baj (1996), policy coordination among TWC, TEA, Coordinating Board and other workforce related efforts, policy coordination is clearly lacking. Some of these programs key on labor market or other program outcomes, while others remain overly concerned about process.

Second, to the extent that workforce-related evaluations have been conducted in Texas in recent years, they have been ad hoc rather than ongoing efforts. These evaluations have been process or implementation studies as often as they have been outcomes-oriented. Only one or two have involved experimental or quasi-experimental methods (i.e. attempting to gauge net impacts) or any type of benefit-cost or cost-effectiveness analysis.

Third, Texas is beginning to move strongly and relatively deliberately towards a systems evaluation orientation for its workforce development system. Several elements of this movement constitute the notable exceptions referred to above, namely:

- TCWEC's efforts to develop strategic systems and program goals, and their associated core performance measures for *all* workforce services;
- The Coordinating Board's (CTCD) Institutional Effectiveness system for community and technical colleges; and

- SOICC's longstanding initiatives for tracking student/participant and employer outcomes in support of most of Texas' workforce efforts.

These three efforts taken together provide a relatively solid base from which to continue the work towards a true systems orientation and an evaluation system to match.

Fourth, while the Texas workforce development system has clearly identified employers as the primary customer for workforce services, very little in the current or planned performance management and evaluation initiatives even make reference to them. The Customer Satisfaction core measure is eventually slated to have a submeasure pertaining to employers' satisfaction. This does not appear to place sufficient emphasis on this important customer if HB 1863's legislative intent is to fully addressed.

Fifth, the data collection and reporting systems which are required to support Texas' workforce management and evaluation efforts need serious attention on a number of fronts. Several of the more important concerns are:

- Existing data collection and reporting mechanisms are largely driven by federal reporting requirements which tend to inconsistent as well as incompatible with real performance management and certainly evaluation under HB 1863;

- Many of these data systems are in major transition as TWC continues to integrate the various programs under its umbrella;

- SOICC has continued to perform a major support service to many, if not most, of the mainline workforce development programs, operating almost exclusively on 'soft' (federal or other) grant funds developed on its own. A performance management and/or evaluation system cannot operate effectively if it fails to invest 'hard' administrative dollars in one of its more important foundations.

7.2. Issues and Gaps

Based on this preliminary assessment of workforce development performance management and evaluation efforts, Center researchers have also identified a number of issues and gaps which will need to be addressed in the coming months. These constitute a mix of technical adjustments and corrections; data collection and reporting problems; and methodological difficulties. Other issues may surface as discussions continue with evaluation experts and the broader state and local workforce development system.

The issues and gaps identified initially include the following:

Broader Issues/Gaps

- The current system and program goals (and their associated objectives) for workforce development are in need of clarification and refinement. For example, is the program goal continuous improvement, return-on-investment or performance against standards?

- Considerable work remains to be done to define operationally the three remaining core measures: skill attainment, program advancement, and customer satisfaction, both for the employee/client and especially the employer. It is becoming clearer that cost-effectiveness—in all likelihood, return-on-investment (ROI)—measures will be required to round out the existing set of core measures. Note that a number of technical corrections and minor modifications are needed as well in the five existing measures as presently defined operationally, especially for the access/equity and some of the earnings gain measures.

- A control/influence disconnect is now imbedded in HB 1863: TCWEC is directed to strategically plan for, oversee and evaluate all Texas workforce development services, including those within TWC, TEA, TDoC and the Coordinating Board, just as are local workforce development boards; local boards can control those (largely second-chance) programs which are under TWC administration, but they can only influence the others. It should be noted that the programs they only influence may be ten to fifteen times larger in size than the ones they control. This is more a performance management than an evaluation issue, but it is a critical one as TCWEC and TWC promote and support local workforce development boards.

Data-related Issues/Gaps

- UI wage records and related sources have inherent limitations in terms of coverage, frequency, timeliness, etc. These gaps raise issues which should be more explicitly addressed. It should be noted that, in the near future, Texas will be maintaining sixteen quarters of UI wage data on line, making any number of evaluative concerns far easier and cheaper to examine.

- As Texas moves farther towards a "seamless" workforce system (federal laws and regulations permitting), the feasibility of instituting a "unit-of-service" information system approach for participant and student records should be explored. At present, some of the most serious inter-program incompatibilities pertain to the activity/component/service categories.

- Interrelated cost and participant/student data files will need to be generated to facilitate cost-effectiveness and ROI analyses if such measures are to be feasible. Cost accounting systems will need to be reviewed and every effort made to bring them into compatibility as well.

- The integrity, consistency and reliability of the system's basic "seed" records are often questionable, and these records constitute the basis of the SOICC follow-up effort.

Methodological Issues

- Net impact versus gross outcome evaluation methodologies will need to be reviewed to determine which methods are feasible and appropriate for Texas' workforce evaluation effort.

- New methods will need to be developed to accurately measure the workforce system's impact on employers. Very little research appears to have been done in this arena, either conceptually or practically. In part, TCWEC's efforts on behalf of the Texas Skills Standards Board may have a role to play here.

7.3. Next Steps

There are two major steps to follow. First, Center staff are working with TCWEC and consulting affected state and local entities to develop the systems evaluation framework and to build consensus around it. Second, the Center will construct an Evaluation Action Plan detailing the steps required to institute a systems approach rather than the program-by-program one now in place.

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